



What Is a Recall?

A recall occurs when a product is either under investigation or has been determined to be a possible safety or health hazard. The manufacturer recalls the product and notifies the public to return the product immediately.

What is a Call-back?

A call-back occurs when a product has been discontinued. The product is then returned to the vendor through salvage, using the recall / call-back process. Call-backs do not require public notification.

Note: Only a buyer would issue / initiate a call-back.

Prompt Response

Information or threats about product tampering can come from a variety of sources. Often the information comes via telephone call or letter, but it may also come from an observation made by a store employee, Customer, or from a supplier, local media, or law enforcement agencies. When such information is received, prompt action must be taken to protect both the Customers and the company.

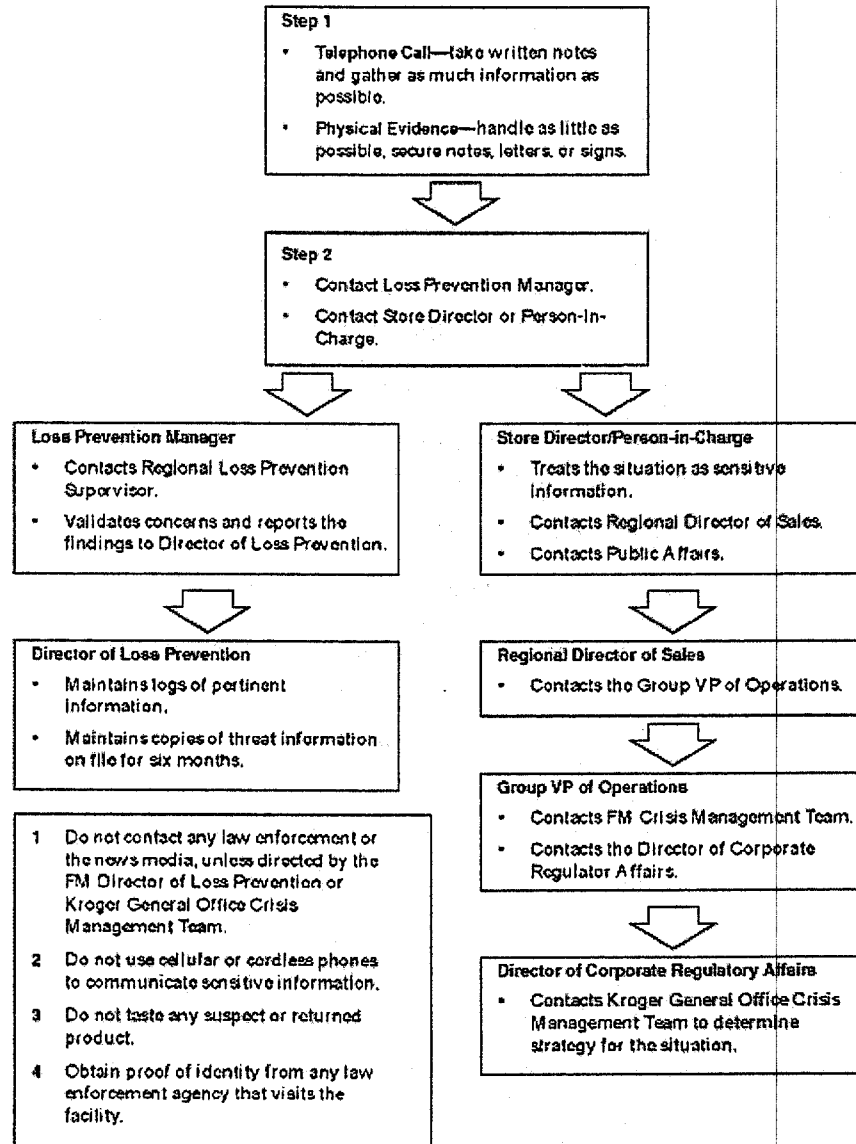
Recalls, withdrawals, and handling threats of product tampering are crucial services we provide our Customers to ensure product safety and quality.

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The flow chart on the following page identifies the procedure to follow when handling threats of product tampering/contamination.

Product Tampering & Recalls—Procedures

Handling threats of product tampering/contamination



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Recall Committee

This committee consists of the following individuals:

- ▶ FM Recall Coordinator
- ▶ FM Alternate Coordinator
- ▶ Division Recall Coordinator - Food
- ▶ Division Recall Coordinator - NonFood
- ▶ Assistant Vice President, Public Relations
- ▶ VP Logistics

Types of Recalls

A voluntary removal or corrective action for distributed consumer product that presents either a risk of injury or gross deception, or is otherwise defective, and against which the FDA, USDA, EPA, or CSPC could initiate legal action.

Class I - Remove product immediately

In this situation, the use of, or exposure to, a violative product may cause serious health consequences or death.

Class II - Remove product

In this situation, the use of, or exposure to, a violative product may cause temporary, or medically reversible, adverse health consequences. The probability of serious health consequences is remote.

Class III - Remove product

In this situation the use of, or exposure to, violative product is "not likely" to cause adverse health consequences.

Product Withdrawal - Remove product

This is the removal of distributed product that may be in minor violation of government regulations, but does not involve risk of injury or gross deception.

Example: Product that does not meet company quality standards.



Recall Process

The following table outlines the recall process:

Stage	Who Does It	What Happens
1	Vendor	<ul style="list-style-type: none"> ▶ Notifies buyer of recall <p>Note: If the information is received by Kroger, the FM Recall Coordinator will notify the appropriate buyer.</p>
2	Buyer	<ul style="list-style-type: none"> ▶ Sends FM product numbers and vendor contact number to FM Recall Coordinator ▶ Complete Form 43, if needed, and send to DC ▶ Input information for Salvage Return
3	FM Recall Coordinator	<p>Notifies:</p> <ul style="list-style-type: none"> ▶ Store Directors via OfficeVision (OV) ▶ DCs via OV, fax, and phone ▶ Reclamation Center via OfficeVision and phone ▶ Senior management in Merchandising, Distribution, and Operations ▶ Regional Director of Sales (RDS) and Regional Supervisors via OV and by phone if a Class I Recall <p>Note: If a Class I Recall, the RDS will call stores in region.</p>
Continued on the next page...		

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Stage	Who Does It	What Happens
4	Store Director	<ul style="list-style-type: none"> ▶ Assigns Dept. Manager to identify and remove product <p>Note: If recall is received from anyone other than the Recall Coordinator or Alternate Coordinate, notify the Recall Coordinator.</p> <ul style="list-style-type: none"> ▶ Posts notice at Customer Service Desk, or where product could be returned ▶ Informs key front-end personnel (order clerks, section heads) of the Recall/Withdrawal
5	Department Manager	<ul style="list-style-type: none"> ▶ Identifies product ▶ <i>Immediately</i> removes product from sales floor; check: <ul style="list-style-type: none"> • Backroom stock • Incoming orders that may be in transit • Markdown bins and/or product being shipped to reclamation • Customer returns and return-to-stock baskets. ▶ Isolates product in backroom and uses "Impounded Product" sticker to identify product ▶ Places appropriate signs at the shelf location where product was sold, when applicable ▶ Records total number of units on Recall / Withdrawal form ▶ Sends number of units (including zero counts) counted to Regional Admin. Asst. via OV
6	Store Director	<ul style="list-style-type: none"> ▶ Files hard-copy of Recall / Withdrawal documentation for six months <p>Note: Food DSD recall documentation is filed by the RMA clerk</p> <ul style="list-style-type: none"> ▶ Verifies product removal

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Stage	Who Does It	What Happens
7	Regional Admin. Asst.	<ul style="list-style-type: none"> ▶ Gathers product counts from stores ▶ Enters product counts onto spreadsheet provided by FM Recall Coordinator ▶ Sends count recap by due date to FM Recall Coordinator
8	FM Recall Coordinator	<ul style="list-style-type: none"> ▶ Follows up on product disposition ▶ Sends complete regional recap to Kroger ▶ Maintains copy of Recall/ Withdrawal files for one year

DCs' Role

If a DC receives notification of a Recall / Withdrawal via OfficeVision, fax, and phone it must:

- 1 Secure and impound the product in question
- 2 Determine if product is in transit to DC, and if so, notify appropriate supervisor to impound product upon receipt
- 3 Record quantity of product on DC's Recall / Withdrawal Form
- 4 Report quantity to FM Recall Coordinator
- 5 Dispose of products according to directions on Recall / Withdrawal Form

Note: The buyer will provide Form 43 to DCs when applicable.

- 6 Compute handling costs on Recall / Withdrawal Form
- 7 Fax to FM Recall Coordinator at (503) 797-5395
- 8 Maintain copies of Recall / Withdrawal information for 6 months

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**Questions**

The following individuals may be contacted at the Fred Meyer Main Office (1-800-858-9292 or SPD 100) for additional information regarding the recall process:

For information regarding...	Contact...	At...
Recall, Withdrawal, and Product Tampering notification/tampering	Randy McGuire Director of Product Safety (FM Recall Coordinator)	ext. 7185
Public Affairs	Rob Boley AVP Public Relations	ext. 7176
Distribution of Recalls and Withdrawals	Calvin Kaufman VP Logistics	ext. 7655

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9.3 Copyright and Trademark Infringement

(5/97)

Statement

Fred Meyer's policy is to respect the rights of our competitors and suppliers in their trade name, trademarks, copyrighted material, and proprietary marketing indicia such as trade dress. Owners of such property have the right to the exclusive use thereof except as to such uses as they may license or otherwise permit. Use of any written material, trade name, trademark, or trade dress of anyone else should not be made without the consent of the owner. Employees should use the following guidelines to help avoid claims of infringement of these rights.

When Fred Meyer wants to reproduce or display a trademark, service mark, character, slogan, phrase, or design, permission from the owner must first be obtained.

Copyright infringement may also occur when photographs, graphics, and literary works are reproduced without permission. Photocopying materials protected by the Copyright Laws may be copyright infringement unless the photocopier has permission to reproduce the material, or pay a royalty for doing so.

Scope

This policy applies to all Fred Meyer Stores employees, particularly those employees involved in the buying or merchandising processes.

Effective date

This policy is effective immediately and supersedes any previous policies.

Policy owner

Route all policy questions and suggested updates to the Chief Financial Officer.

Violation of this policy

Employees who violate this policy will be subject to disciplinary action up to and including termination.

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Definitions

Copyright (sometimes identified by the symbol ©) gives the owner exclusive legal right to reproduce, publish, and sell literary, musical, or artistic works.

The owner of a *trademark* (symbol ™ or ®) has the right to prevent the use of confusingly similar marks.

Many times the symbols ©, ™, or ® appear on a product or its packaging. The absence of these symbols, however, does not deprive the owner of its rights under the trademark and copyright laws.

Recognizing copyright and trademark questions

Copyright problems typically arise when someone has copied or "knocked off" another vendor's product. Obvious examples include the copying of video tapes, audio tapes, computer software, photographs, literary works, and graphics. Less obvious problems occur when a vendor copies a unique product design such as a pattern developed by another vendor for an article of clothing.

Trademark infringement frequently occurs when one vendor tries to sell its product under the same mark or a confusingly similar mark as another vendor's product. A less obvious example includes one vendor trying to simulate the overall appearance of another vendor's product.

Questions concerning potential copyright or trademark infringements should be directed to the corporate legal office.

Fred Meyer copyrights and trademarks

Copyright and trademark laws also apply to all registered Fred Meyer trademarks, service marks, products, characters, and slogans. Include the appropriate registration symbol in advertising displays, for example, *You'll find it at Freddy's® or Turf King®*.

For promotional and creative material developed by Fred Meyer, include a copyright notice stating the name of the company and the year of the first publication, for example, ©Fred Meyer Stores 1998.

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Avoiding infringements

Follow these guidelines to avoid infringements:

- ◆ Obtain authorized, written permission from the vendor or manufacturer before reproducing a registered product, character, or slogan.
- ◆ Do not purchase products that are copies or "knock offs" of products sold by other vendors.
- ◆ Do not purchase products bearing a trademark owned by someone other than the vendor.
- ◆ Do not use trademarks or reproduce packaging as part of a display without permission from the owner.
- ◆ Do not use the names or images of personalities or cartoon characters in advertising or displays without permission from the individual or the owner.
- ◆ When permission is given to use a name, likeness, or character, do not mix with other material (for example, if authorization is given to display the Bart Simpson character, do not mix that character with Peter Pan and Snoopy characters, even if each has been individually authorized). This does not preclude merchandising different brand-name products in a single fixture as long as these guidelines are followed.
- ◆ If display material is provided by the vendor or manufacturer, it may be used in a product-related display. For example, vendor-provided NBA advertisements may be used in a basketball clothing display.

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9.4 Vendor Checks

(1/03)

Statement

Vendors are required to send checks directly to Fred Meyer's PO Box. Fred Meyer representatives are required to inform vendors of this policy. (See example 1 on pg. 9-22)

In the event a vendor representative, on site at the main office, wants to submit a check to a Fred Meyer representative, do not refuse the check, however, escort the vendor representative to the front desk and instruct him/her to perform steps 1 through 3 below:

- 1 Go to the front desk. Obtain a main office deposit form (see example 2 on pg. 9-22) and an envelope from the attendant at the front desk.
- 2 Complete the form, which explains the nature of the check, the company submitting the check, the vendor representative and phone number, and the Fred Meyer contact and phone number.
- 3 Seal the check and deposit form in the envelope and give to the front desk attendant.
- 4 The front desk attendant will notify the cash desk to pick up the check.

In the event a vendor sends a check through the mail that is not to the PO Box described on pg 9-22, the Fred Meyer representative receiving the check must immediately take the check, and all attachments, either to the front desk (perform steps 1 through 3 above) or the cash desk.

Scope

This policy applies to all Fred Meyer employees.

Effective date

This policy is effective immediately and supersedes any previous policies.

Policy owner

Route all policy questions and suggested updates to the Chief Financial Officer.

Violation of this policy

Employees who violate this policy will be subject to disciplinary action up to and including termination.



Example 1: Vendor letter



FRED MEYER STORES • P.O. Box 42121 • Portland, OR 97242-0121 • 3800 SE 22nd Ave. • Portland, OR 97202-2918 • 503 282-8844 • <http://www.fredmeyer.com>

Vendors and Suppliers:

This letter is to inform you of Fred Meyer's policy regarding the submission of checks to Fred Meyer. The preferred method is for all checks to be mailed directly to the following address:

Fred Meyer
PO Box 2388
Portland, OR 97208-2388

Hand delivered checks to our main office in Portland, Oregon, can only be accepted by the attendant at the front reception desk.

Checks to Fred Meyer should never include a buyer or representative's name on the pay to line. Additional information which should accompany a check, if possible, includes:

- Representative's name
- Representative's phone number
- Name of Fred Meyer Contact
- Phone number or extension of Fred Meyer Contact
- Brief explanation of the purpose of the check

Thank you.

Sincerely,

David Deatherage
SVP and Chief Financial Officer

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Example 2: Deposit form

FRED MEYER MAIN OFFICE DEPOSIT FORM

Vendors: Please fill out the top portion of this form and leave all checks for Main Office at the front desk.

Company: _____	Date: _____
Representative: _____	
Phone: _____	
Fred Meyer Contact: _____	
Dept/Phone: _____	
Reason:	
Please provide a brief explanation for purpose of check: _____	

OFFICE USE ONLY:

Front Desk Personnel: Please contact the Cash Desk at x 5283 for daily pickup of all checks left at front desk.

Cash desk contacted: Date: _____ Time: _____
 Date: _____ Time: _____

Please contact A/R Manager at x 5275 if cash desk cannot be reached.

Cash Desk:

Date Received:				
Location	Dept.	Account	Class	Amount
Total				

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